GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:1927
ANSWERED ON:14.03.2017
Hotel Service Charge
Mishra Shri Janardan;Nagar Shri Rodmal;Yadav Shri Om Prakash

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Government has taken any steps to resolve the issue of levying 5 per cent to 20 per cent service charge by hotels and restaurants;
(b) the number of complaints received by the Government in this regard, State/UT-wise during the last two years;
(c) whether the Government has constituted any committee to deal with these complaints, if so, the details thereof; and
(d) if not, the reasons therefor?

Answer

THE MINISTER OF STATE
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
(SHRI C. R. CHAUDHARY)

(a) : The Department of Consumer Affairs has issued advisory to all the State Governments/UTs to sensitise the companies, hotels and restaurants in the state regarding the relevant provisions of the Consumer Protection Act, 1986 on unfair trade practices and also to advise the hotels/restaurants to disseminate information through display at the appropriate place in the hotel/restaurants that the "service charges" are discretionary/voluntary and a consumer dissatisfied with the service can have it waived off.

(b) : The details of the complaints received by the Government are given in the Annexure.

(c) & (d) : Under the provisions of the Consumer Protection Act, 1986, a three tier quasi-judicial mechanism, called Consumer Fora, has been set up at the District, State and National levels to provide for simple and inexpensive justice to consumer disputes. The Act further provides that a trade practice which, for the purpose of promoting the sale, use or the supply of any goods or for the provision of any service, adopts any unfair method or deceptive practice, is to be treated as an unfair trade practice. A consumer can make a complaint to the appropriate consumer forum established under the Act against:-

(i) an unfair trade practice adopted by any trader or service provider
(ii) the services hired or availed of, suffered from deficiency in any respect
(iii) a trader or service provider, as the case may be, has charged for the goods or for the services a price in excess of the price (a) fixed by or under any law for the time being enforce, (b) displayed on the goods or any package containing such goods, (c) displayed on the price list exhibited by him or under any law for the time being in force or (d) agreed between the parties.
*****